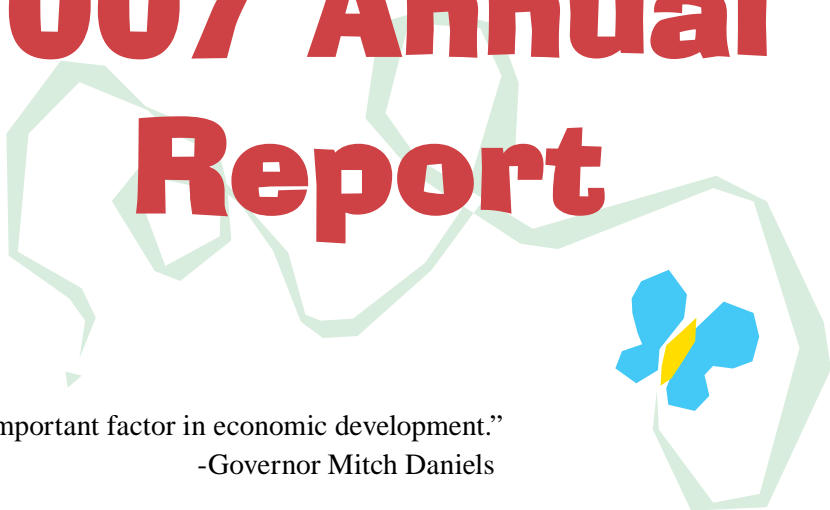




Indiana Bureau of Child Care



2007 Annual Report



“Access to quality childcare is an important factor in economic development.”

-Governor Mitch Daniels



Indiana Bureau of Child Care

2007 Annual Report

Bureau of Child Care Mission

The Child Care and Development Block Grant (CCDBG) was established in 1992 within the federal Department of Health and Human Services (HHS) under 45 CFR Part 98. The primary goals of CCDBG are to increase the accessibility and affordability of quality child care in each state. More specific information about the purpose and regulations of the Block Grant may be found at www.acf.hhs.gov/programs/ccb/.

The Indiana Family and Social Services Administration (FSSA) is named as the Lead Agency to implement this federal grant in Indiana. Programmatic strategic planning and day to day operations are assigned to the Division of Family Resources, Bureau of Child Care (BCC).

The mission of the Bureau of Child Care is to provide all parents with informed child care choices that promote their children's health, safety and future success in school.

BCC has a staff of over 60 employees and has contracts with multiple service providers to provide ongoing operations and continuous quality improvements.

BCC also maintains a statewide website www.childcarefinder.in.gov. This website may be used by parents to locate licensed or unlicensed, registered child care in their area. The website gives them information about provider inspections and validated complaints. Child Care Providers may also use this site to find helpful information in running their child care businesses and improving their quality of care. Child Care providers can visit the website to find helpful information about technical assistance and other support services that are available to them. Details related to information presented in this report may also be found at the website.

Words from FSSA Secretary



FSSA is committed to providing quality child care to our youngest citizens. During Federal Fiscal Year (FFY) 2007,* we demonstrated our success in meeting this goal. Our most notable achievements include: increasing the income eligibility of CCDF families served from 140% to 170%; serving over 2500 more children; increasing voucher dollars paid to accredited child care centers from 11.4% to 16.2%; and increasing CCDF voucher children being cared for in licensed child care settings by 4%.

In our ultra competitive world it is incredibly important that children start learning well before kindergarten. High quality child care services can provide children with an early start toward school success. The Indiana and Family Social Services Administration (FSSA) will continue with its commitment to developing and supporting initiatives that result in better parental access to high quality child care settings.

Mitch Roob

Words from the Child Care Administrator

The Bureau of Child Care (BCC) spent 2007 planning a comprehensive system designed to improve the quality of child care in Indiana. Paths to QUALITY is Indiana's homegrown model of a Quality Rating System. It provides parents with a tool to make informed decisions about the type of care best for their family. Further, it can ultimately prepare their children for future success. To develop a comprehensive strategy and plan, BCC partnered with other agencies including: 4 C's of Southern Indiana, Early Childhood Alliance, Department of Education, Indiana Association of Child Care Resource and Referral, Indiana Association for the Education of Young Children, Purdue University, and The Consultants Consortium. Statewide implementation begins in January 2008 and will be completed by January 2009. For more details about Paths to QUALITY, please visit www.childcarefinder.in.gov.

Michelle Thomas, MSW, LCSW

*October 1, 2006–September 30, 2007

Bureau of Child Care Statement of Financial Responsibilities – FFY 2007

BCC is responsible for 3 separate programming budgets, the largest by far being the CCDF Block Grant.

Child Care Development Block Grant (CCDF)

Purpose: To provide child care subsidies to low income, working families and to promote and enhance the quality of early care and education so that Indiana children are safe, healthy and learning. Federal and state matching funds are used to support this block grant.

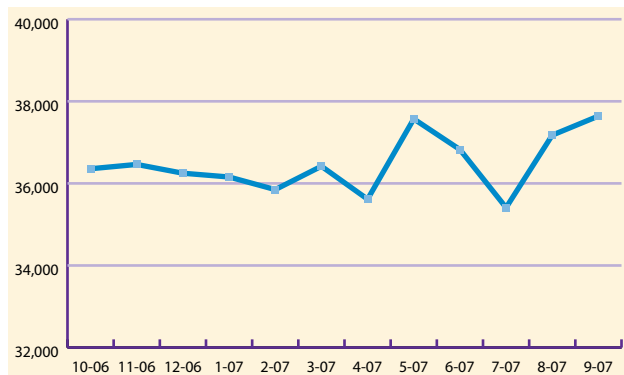
Total Budget FFY 2007: \$201 million

Projected Budget FFY 2008: \$204 million

Child care subsidy services are a vital support to families receiving Temporary Assistance for Needy Families (TANF) during welfare-to-work activities and during the transition from TANF dependence. In 2007, an additional \$10 million in TANF funds was transferred to the CCDF program.

The additional dollars were used to increase the CCDF maximum eligibility income level from 140% to 170% of the Federal Poverty Level. Changing the income level for CCDF eligibility moved Indiana from 49th to 30th in the country. In order to ensure CCDF parents have continued access to quality child care services, funds were also used to increase reimbursement rates to licensed child care providers by an average of 3%. According to the National

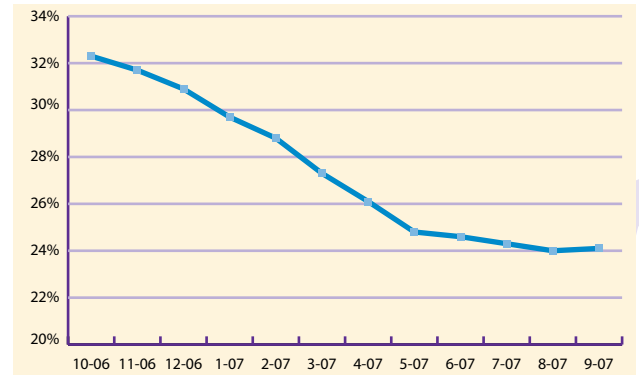
Authorized CCDF Voucher Children, FFY 2007



Center for Children in Poverty, Indiana is recognized as one of only 13 states that has increased reimbursement rates in the past two years.

The Family Sliding Fee Schedule and child care Provider market rates changes became effective September 30, 2007.

CCDF Voucher Families Marked as TANF, FFY 2007



School Age Child Care (SACC) Project Fund

Purpose: IC 12-17-12 sets the purpose of this program to provide more access to school age child care programs for low income families. During State Fiscal Year (SFY) 2007,* the General Assembly increased the budget for this program over the next two fiscal years. Grants were awarded to 11 more school age providers.

In SFY 2007, 16 school age child care providers representing 62 facilities were funded to provide services to approximately 5052 Indiana children.

Total SFY 2007 Budget: \$850,000

Projected SFY 2008 Budget: \$950,000

Child Care Fees and Fines

Purpose: IC 12-17.2-2-3 sets aside a fund to be held for child care application fees and fines. The funds are to be used to provide resources for staff training and enforcement activities.

Total SFY 2007 Budget: \$100,000

Projected 2008 Budget: \$100,000

*July 1, 2006–June 30, 2007

Regulated Child Care in Indiana – providing all parents with child care choices where their children can be safe, healthy, and learning

BCC is responsible for regulatory and inspection activities related to licensed and registered child care provided in the State of Indiana. These include:

- Licensed Child Care Centers
- Licensed Child Care Homes
- Unlicensed, Registered Child Care Ministries

Highlights for 2007

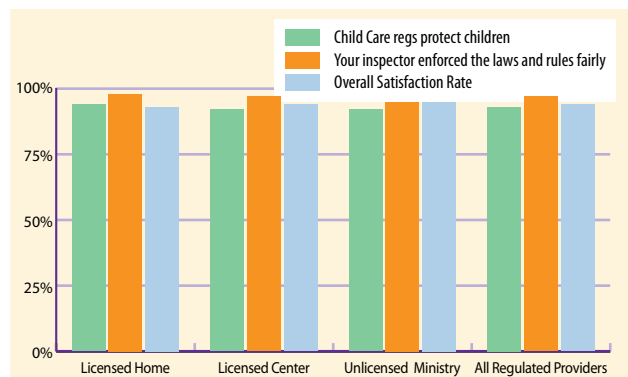
BCC partnered with the National Association of Regulatory Administration to develop guidelines that would:

- Provide child care inspection staff with a tool that would increase consistency of inspections
- Build better relationships with providers by providing shared language and expectations
- Assist child care providers in preparation for inspection visits
- Ensure that the intent of regulations are being met

These guidelines are now being used to train new inspectors and to provide ongoing technical assistance to veteran inspectors as they perform their daily inspection duties. They are posted on www.childcarefinder.in.gov.

BCC distributed customer service surveys to 4522 child care providers who received an inspection visit in 2007. A total of 2504 were returned (55%).

Customer Satisfaction



Licensed Child Care Centers

Child Care Centers are defined by law in Indiana Code 12-7-2-28.4 as:

“Child care center” has the meaning set forth in IC 12-7.2 means a nonresidential building where at least one (1) child receives child care from a provider:

- while unattended by a parent, legal guardian, or custodian;
- for regular compensation; and
- for more than four (4) but less than twenty-four (24) hours in each of ten (10) consecutive days per year, excluding intervening Saturdays, Sundays, and holidays.

Child care centers are governed by the laws set forth in Indiana Code 12-17.2-2 and Indiana Code 12-17.2-4. In addition, child care centers must abide by the rules in 470 Indiana Administrative Code 3-4.7 concerning licensure of child care centers. These rules represent the minimum standards necessary to operate a child care center.

During 2007, BCC completed planning for an enhanced role for the Nurse Consultants and Dietician. The insert in this report contains details about our free Child Care Health Consultant program.

Licensed Child Care Homes

Child Care Homes are defined by law in Indiana Code 12-7-2-28.6 as

(a) “Child care home”, for purposes of IC 12-17.2, means a residential structure in which at least six (6) children (not including the children for whom the provider is a parent, stepparent, guardian, custodian, or other relative) at any time receive child care from a provider:

- while unattended by a parent, legal guardian, or custodian;

- (2) for regular compensation; and
- (3) for more than four (4) hours but less than twenty-four (24) hours in each of ten (10) consecutive days per year, excluding intervening Saturdays, Sundays, and holidays.

(b) The term includes:

- (1) a class I child care home; and
- (2) a class II child care home.”

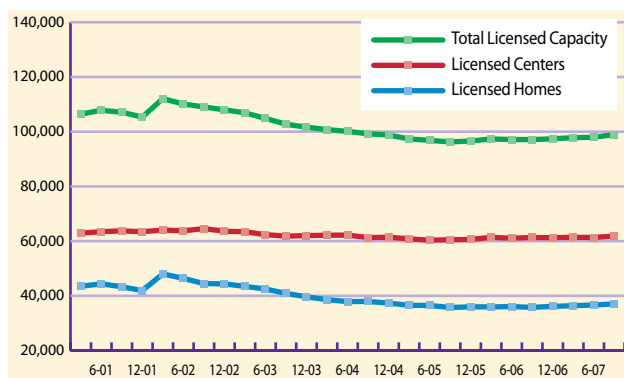
Child Care Homes are governed by the laws set forth in Indiana Code 12-17.2-2 and Indiana Code 12-17.2-5. In addition, child care homes must abide by the regulations in 470 Indiana Administrative Code 3-1.1, 3-1.2, and 3-1.3.

Class I child care homes have a capacity of twelve (12) children plus an additional three (3) school age children that are grade one (1) or above. A class II home has a capacity to care for sixteen (16) children.

Effective 7/1/07, the General Assembly passed legislation that changed the definition of a child for purposes of determining capacity and child/staff ration. The new definition of a child is **“any child who is at least fourteen (14) years of age and does not require child care.”** This definition affects the following: IC 12-7-2-28.6; IC 12-7-2-33.7 and IC 12-7-2-33.8

A new Child Care Home Advisory Committee was established per legislation effective 7/1/07. The purpose of the committee is to provide to the Division information, advice, and assistance concerning implementation of child care regulations. The meetings are held quarterly and the committee is to present an annual report to the Committee on Child Care concerning their activities during the previous year.

Indiana Licensed Capacity



Unlicensed Registered Child Care Ministries

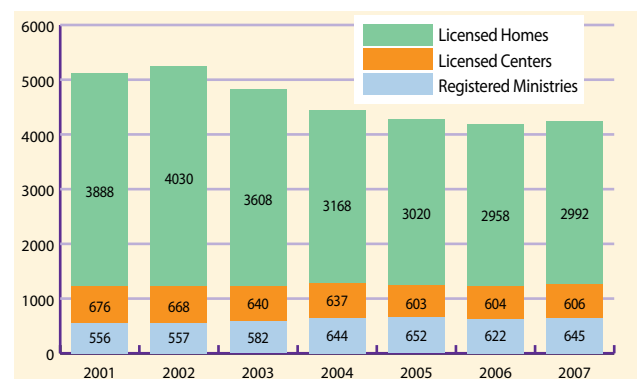
Unlicensed Registered Child Care Ministries are governed by the laws set forth in Indiana Code 12-17.2-2 and Indiana Code 12-17.2-6. In addition, an unlicensed registered child care ministry must abide by the rules outlined in 470 Indiana Administrative Code 3-4.5 concerning registration of child care ministries and 410 IAC 7-24. These rules represent the minimum general sanitation and fire safety standards necessary to operate an unlicensed registered child care ministry.

Legislation was passed, effective 07/01/2007 that authorizes the Department of Child Services, Child Protection Services, accompanied by local law enforcement, to conduct investigations of alleged child abuse and/or neglect at an unlicensed registered child care ministry.

Legislation was passed, also effective 07/01/2007 that prohibits unlicensed registered child care ministries from employing or having as a volunteer an individual who was convicted of a specified felony and/or misdemeanor related to the health and safety of a child. Additionally, the law prohibits an unlicensed registered child care ministry from employing or having as a volunteer an individual who was substantiated as an alleged perpetrator of child abuse/neglect.

Capacity and Child Staff ratios are not required by Indiana law for Unlicensed Registered Ministries.

Indiana Licensed/Registered Facilities



Child Care Provider Eligibility to Receive CCDF Payments

Eligibility of Child Care Providers to receive reimbursement through the voucher program is defined by law in Indiana Code (IC) 12-17.2-3.5 as

“(a) This chapter applies to all child care providers regardless of whether a provider is required to be licensed or registered under this article. However, a child care provider that is licensed under IC 12-17.2-4 or IC 12-17.2-5 is considered to be in compliance with this chapter.

(b) If a school age child care program that is:

(1) described in IC 12-17.2-2-8(10); and

(2) located in a school building;

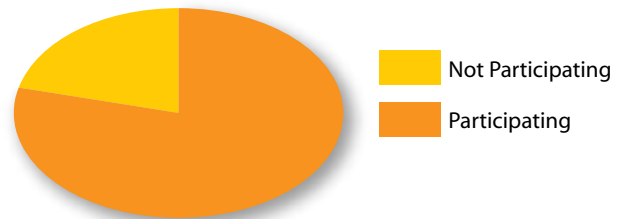
is determined to be in compliance with a requirement of this chapter by another state regulatory authority, the school age child care program is considered to be in compliance with the requirement under this chapter.”

Voucher payment is defined in IC 12-17.2-3.5-3 as

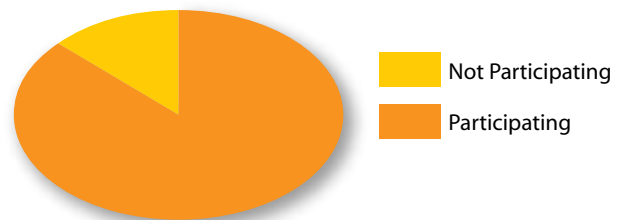
“Sec. 3. As used in this chapter. “voucher payment” means payment for child care through the federal Child Care and Development Fund (CCDF) voucher program administered under 45 CFR 98 and 45 CFR 99.”

All licensed child care providers are considered eligible to receive reimbursement through the CCDF voucher program.

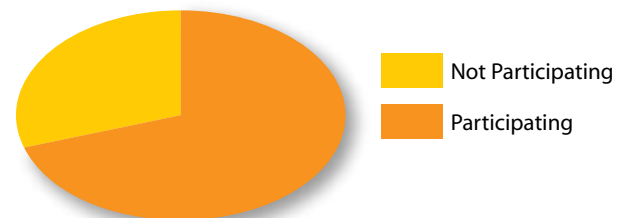
Licensed Centers, FFY 2007



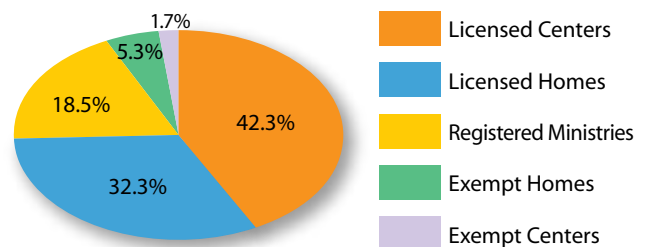
Licensed Homes, FFY 2007



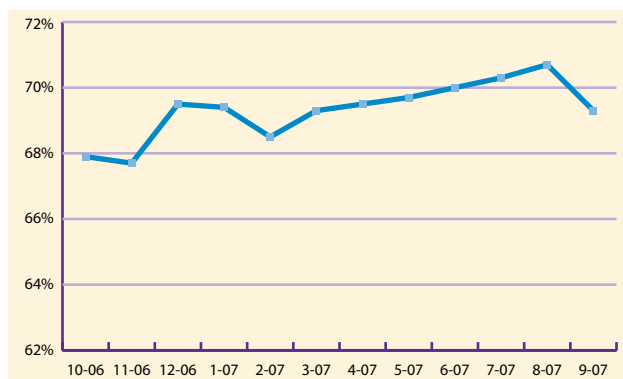
Unlicensed Registered Ministries, FFY 2007



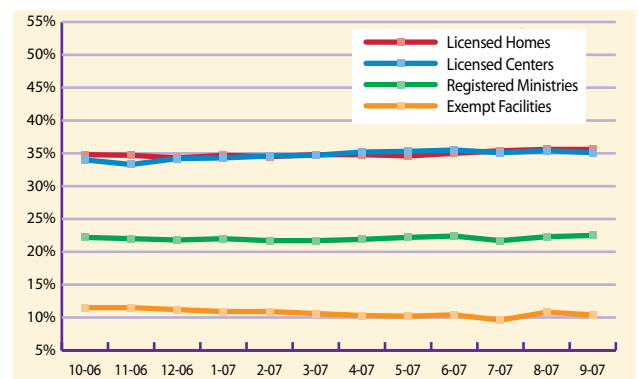
CCDF Direct Service Expenditures by Provider Type, FFY 2007



% of CCDF Children in Licensed Care, FFY 2007



% of CCDF Children by Provider Type, FFY 2007



BCC Fact Sheet

Indiana - Statewide Summary Voucher & Contract Centers Program FFY 2007

Caseload

- 30,360 unique families and 58,268 unique children were authorized for this period.
- An average of 19,131 families and 36,487 children were authorized per month over this period.
- An average of 3,992 children were on wait lists for this period.

Children

- 71.1% of children were served in licensed care.
- School-age children (ages 6+ years) constituted 26.4% of all children served.
- Children of Hispanic or Latino Ethnicity accounted for 7.7% of all children served.
- Race codes: African American: 54.8%; White: 51.6%; American Indian / Alaskan: .8%; Asian: 0.4%; Hawaiian / Pacific Islander: 0.2%

Families

- 73.1% of families received subsidies because of employment.
- 21.5% of families had copayments.
- The average family size was 3.7 and the average number of children served per family was 1.9.
- 94.7% of families were headed by a single parent.
- 36.8% of families were marked as TANF recipients and 29.3% listed TANF as a source of income.

Expenditures

- The average cost of care per week per child during this period was \$89.20 (\$4,638 annualized).
- Average weekly expenditures for children under 1 year of age were \$113.75 (\$5,915 annualized).
- Average weekly expenditures for school-age children (ages 6+ years) were \$69.31 (\$3,604 annualized).
- 74.7% of total expenditures were for children under 6 years of age.

County Stats

- Marion County accounted for the largest proportion of families served with 25.9% of the State's caseload.
- The highest average cost of care was in Hamilton County at \$131.73 per week per child (\$6,850 annualized).
- The lowest average cost of care was in Orange County at \$49.78 per week per child (\$2,589 annualized).
- Tipton County had the greatest proportion of TANF recipients, where 58.8% of families receiving child care subsidies also received TANF income.

Early Care and Education in Indiana: Improving the Quality of Child Care

Research shows that high quality early learning experiences prepare children for future success in school, work and life. From birth to age 3 is the most important time for growth of the human brain. A child's brain develops in response to the child's experiences by building neurological networks in reaction to the environment.

A quality early care and learning environment is critical to this development and to school readiness skills. By age 3, children have already developed most of their capacity to acquire vocabulary and 85% of a child's capacity to learn is determined by age 5.

Child Care Providers Can Access Free Health Consultation and Training Services

Access to health professionals who can provide education to child care providers can make a dramatic difference in the health and safety of children. The Bureau of Child Care offers a free, **voluntary** Health Consultation Program to all child care providers in Indiana. Nursing and Dietary professionals are available as a training and support resource for health and nutrition issues.

Onsite and telephone consultation, as well as a statewide training network in partnership with the Local Child Care Resource and Referral agencies are a few examples of the types of services offered. Depending on the specific need, the consultants can provide educational information either in written handout form, by e-mail, loaned video tape, or personal presentations.

The primary purpose of the program is to increase the health and safety of all children. Specific indicators of health and safety education and information will be targeted. ***These have been identified as important factors in promoting normal health and development in children receiving out of home child care:***

Indicator: Nutrition and Health

Target: Provide information about nutrition and healthy living for early childhood development, specifically diet and exercise.

Indicator: Immunization

Target: Increase the number of children with current immunization or documentation of rationale for withholding specific immunizations.

Indicator: Communicable Disease and Sanitation

Target: Ensure that out of home facilities practice and are knowledgeable of sanitary practices. Provide information and improve staff knowledge of communicable diseases and infection control.

Indicator: Mental Health

Target: Inform out of home child care providers of the availability of local mental health providers and services.

Indicator: Medical Home

Target: Increase the designation of "Medical Home" (Designated Health Care Provider) of children receiving out of home child care. Inform out of home child care providers about local health providers and services.

Child Care Provider Professional Development Resources

Resource	Purpose	2007 Results
T.E.A.C.H. Early Childhood® INDIANA	Educational scholarships to teachers, home providers and directors through both a formal credit based classroom education model from higher education institutions throughout Indiana, as well as through other non-traditional methods, such as online learning and on-site training	1175 child care providers were awarded credit based educational scholarships earning 6991 credit hours. 537 child care providers from 55 different counties earned a total of 47,114 contact hours of nonformal CDA credential training.
Mentors As Partners (MAP)	Onsite technical assistance and other quality improvement supports offered to individual child care providers to improve the quality of care provided	171 child care providers volunteered to participate in mentoring.
Indiana Accreditation Project	Onsite technical assistance and other quality improvement supports offered to child care providers seeking National Accreditation status	284 facilities and 114 child care homes serving 10,684 children received financial and/or technical support for accreditation.
Infant/Toddler Specialists of Indiana Initiative	High quality research and credit based training offered to professionals through Purdue University in collaboration with Indiana University to improve the quality of child care offered to infants and toddlers	476 infant toddler specialists from 73 counties took advantage of high quality research, resources and activities through a web based network. 151 infant toddler specialists participated in intensive credit based training through I.U. and Purdue.

Parent Education and Community Outreach

Finding quality child care is one of the most important decisions that a family must make for their children. Because Indiana law allows multiple exemptions to licensing, parents often have difficulty discerning between the types of care that they are considering and what standards each program may or may not meet. BCC funds ongoing consumer education and outreach programs to help families make informed decisions about what is best for their child.

Parent Referrals

During 2007, 14,104 unique families accessed the services of a statewide system of child care resource and referral agencies. Each of these families was provided with consumer education materials and one-on-one counseling regarding the selection of quality child care for their children.

Website Information

Families also accessed child care information online through Indiana's web based child care site www.childcarefinder.in.gov. The site is integrated with the state licensing database to provide parents with up-to-date information on a provider's current license status and inspection history so parents can make better informed decisions on choosing child care. The website includes Indiana's child care rules and regulations as well as other helpful resources for parents and child care providers.

Quality Rating System

Quality Rating systems are another valuable resource to parents as they make child care choices for their family. In 2007, BCC finalized plans for implementation of a statewide Quality Rating

System. Indiana has chosen to implement a voluntary Quality Rating System that builds on a home grown model. All regulated child care providers will have the opportunity to participate. The original model was implemented by Early Childhood Alliance in Allen County and is known as "Paths to QUALITY." The model and its replication in other areas of the state have shown dramatic success in assisting parents in locating quality child care and in improving the overall level of care in these areas. There will be a phased statewide implementation period beginning 1/1/08 through 1/1/09. The system will be implemented in partnership with the Indiana Association of Child Care Resource and Referral, the Indiana Association for the Education of Young Children, and The Consultants Consortium.

The standards for Paths to QUALITY are consistent, but tailored for family child care homes and for licensed centers and unlicensed registered ministries. Paths to QUALITY is a system where each level builds on the foundation of the previous one, resulting in significant quality improvements at each stage, with national accreditation at the highest level. The system validates programs and providers for ongoing efforts to achieve higher standards of quality and provides incentives and awards for success. The four levels address:

- Level One: Health and safety needs of children met.
- Level Two: Environment supports children's learning.
- Level Three: Planned curriculum guides child development and school readiness.
- Level Four: National accreditation (the highest indicator of quality) is achieved.